

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>In Re:</b>	)	<b>Chapter 11</b>
<b>Capital Engineering &amp;</b>	)	<b>06 B 09747</b>
<b>Manufacturing Co.</b>	)	<b>Hon. Eugene Wedoff</b>
	)	<b>Hearing Date: 12/21/06</b>
<b>Debtor</b>	)	<b>Hearing Time: 10:00 a.m.</b>

**ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL  
BASED UPON AN AGGREGATE WEEKLY EXPENDITURE IN  
LIEU OF AUTHORIZATION BASED UPON DETAILED WEEKLY BUDGET**

This cause having come before this Court on the Debtor's "Motion To Authorize Debtor To Use Cash Collateral Based Upon An Aggregate Weekly Expenditure In Lieu Of Authorization Based Upon Detailed Weekly Budget," proper notice having been provided and the Court being fully advised in the premises,

**IT IS HEREBY ORDERED THAT:**

1. The Debtor's Motion is hereby granted;
2. Until the Court enters an order after the final hearing on the Motion, the Debtor is hereby authorized to use the Cash Collateral, including the funds now on deposit in or hereinafter deposited to the lockbox account maintained at Lakeside Bank and/ or in its Debtor-in-Possession operating account (the "DIP Account"), in the ordinary course of its business provided that it expends no more than \$150,000 of Cash Collateral in a given week without prior Court authorization.

3. The Debtor is directed to provide Virginia with:
- (i) Copies of the Debtor's weekly payroll journal by the Tuesday following the Debtor's receipt of the payroll journal from the payroll service;
  - (ii) Copies of the post-petition check register weekly by the Tuesday of the following week;
  - (iii) Weekly copies of the Debtor's deposits in any financial account maintained by the Debtor by the Tuesday of the following week;
  - (iv) Until the Debtor is able to provide the aged accounts receivable listing and balance sheet information described in subparagraph (v) and (vi) below, copies of all invoices issued by the Debtor by the Tuesday of the following week;
  - (v) As soon as is possible, a weekly computer-generated aged accounts receivable list by Tuesday of the following week; and
  - (vi) As soon as is possible, a monthly computer-generated balance sheet and profit and loss statement.

The Debtor shall provide the above items weekly as indicated, except that the computer-generated balance sheet and profit and loss statement shall be provided monthly no later than the seventh day of each month following the month for which the balance sheet and profit and loss statement are being submitted. Notwithstanding the foregoing, the reports required to be provided for the week ending December 22, 2006 may be provided to Virginia any time on or before close of business on December 29, 2006.

4. As adequate protection for the use of the funds in which Virginia asserts a Cash Collateral interest, Virginia is hereby granted a security interest, deemed perfected on the entry of this Order, to the extent that Virginia's Cash Collateral is used and to the extent and with the same

priority in the Debtor's post-petition collateral and proceeds thereof that Virginia held pre-petition, including, but not limited to, the proceeds of any pre-petition order completed post-petition.

5. This Order is deemed to be effective immediately and shall remain in effect until the entry of an Order by this Court after a final hearing on said Motion, unless previously terminated on the entry of an Order of this Court finding a material breach of this Order (without prejudice to the Debtor's right to seek authority from this Court for use of Cash Collateral upon the provisions of adequate protection as provided by law) or on the appointment of a trustee, the conversion of this case to a case under Chapter 7 of the Bankruptcy Code, or the dismissal of this Case. Upon any such termination, all rights to use Cash Collateral granted herein shall immediately terminate.

6. If this Order is hereafter modified, vacated, or stayed by Court Order, any such Order shall not affect the validity or enforceability of any lien, security interest, or priority authorized herein, nor shall it affect any use previously made of Cash Collateral pursuant to this Order.

7. This Order is without prejudice to the rights of the Debtor, after due notice and hearing, to seek modification hereof and/or an increased use of Cash Collateral, and is also without prejudice to the rights of Virginia, after due notice and hearing, to seek a modification of this Order and/or additional adequate protection.

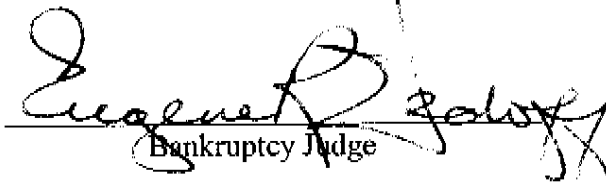
8. A final hearing for the Court to consider said Motion is set for January 11, 2007 at 9:30 a.m.

9. The Debtor shall transmit a notice of the final hearing to all known parties in interest no later than three days after the entry of this Order.

Dated:

DEC 21 2006

ENTER:

  
Bankruptcy Judge